

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST RECOVERY)	
FILING OF SIGMA GAS CORPORATION)	CASE NO. 93-349-I

O R D E R

On December 15, 1993, in Case No. 93-349, the Commission approved certain rates for Sigma Gas Corporation ("Sigma") and provided by tariff for their further adjustment on a quarterly basis in accordance with its approved gas cost adjustment ("GCA") clause.

On December 1, 1997, Sigma filed its GCA to be effective January 1, 1998 through March 31, 1998.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. In its notice of December 1, 1997 Sigma proposed revised rates designed to pass on to its customers its expected wholesale decrease in gas costs. Sigma's proposed expected gas cost ("EGC") is \$3.2930 per Mcf.
2. Sigma's notice set out no current refund adjustment.
3. Sigma's notice set out a current quarter actual adjustment ("AA") of (1.80) cents per Mcf to return over-recovered gas cost from July, August, and September 1997. The total AA of (95.90) cents per Mcf is composed of the current AA and previous quarter AAs.

4. Sigma did not propose a current quarter balance adjustment ("BA"); it should have done so, however, to reconcile a remaining over-recovery from the (.13) cent per Mcf AA which expired September 30, 1997. The current quarter BA should be 4.65 cents per Mcf. The total BA should be 2.55 cents per Mcf. Sigma should calculate a BA as part of all future GCA filings.

5. Sigma's corrected gas cost recovery rate is \$2.3595 per Mcf, 64.35 cents per Mcf less than the previously authorized rate.

6. Sigma's adjustment in rates contained in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved effective with bills rendered on and after January 1, 1998.

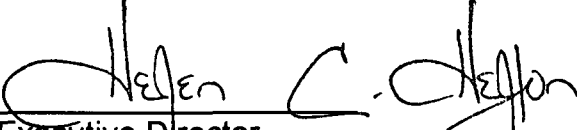
IT IS THEREFORE ORDERED that:

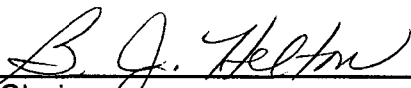
1. The rates proposed by Sigma are hereby denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are authorized to be effective with bills rendered on and after January 1, 1998.
3. Within 30 days of the date of this Order, Sigma shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 23rd day of December, 1997.

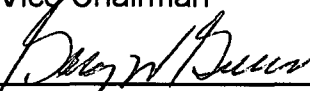
PUBLIC SERVICE COMMISSION

ATTEST:


Executive Director


Chairman


Vice Chairman


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-349-I DATED DECEMBER 23, 1997

The following rates and charges are prescribed for the customers in the area served by Sigma Gas Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$3.90	\$2.3595	\$6.2595
All Over 1st Mcf	\$2.97	\$2.3595	\$5.3295